PREPARING TO PREVENT CRISES

Address delivered at Naval War College graduation ceremonies on 16 June 2006, by Senator Dick Lugar

t is an honor to celebrate the graduation of another remarkable class from the Naval War College. I congratulate you on the hard work that has led to this day. This is a high moment in the lives of our graduates and in the lives of all who have given inspiration and support to them. We are especially appreciative of the families of the graduates. The work the graduates have done in the past and will do in the future is sometimes dangerous and often personally consuming. It requires patience, courage, and love from family members. Their sacrifices have made this day possible, and they are an indispensable element of our national security.

I am excited to be with so many individuals who have dedicated their lives to protecting our country and building international order. Since its establishment in 1884, the Naval War College has been a prolific contributor to the intellectual inquiry and skill development that our government and our military need to advance peace in the world. It has brought together representatives from all the military branches and numerous civilian agencies, as well as students from every corner of the globe, for shared studies and discussion.

Around the United States during the last two months, ceremonies have commemorated the graduation of students from institutions of higher learning. But few graduates, if any, are poised to have as much impact as you on our world in a historic moment of need. We are now sending you back into a geopolitical climate that is uncertain and dangerous. We are asking you to take on burdens that will weigh heavily on you and your families. We are asking you to perform extraordinary acts of leadership on a routine basis.

Seeking Global Transformations

In May, I had the pleasure of delivering a graduation address at St. Joseph's College, a small liberal arts college in Rensselaer, Indiana. It was a picturesque and memorable occasion—though far more landlocked than today. The class consisted of 150 bright graduates, mostly twenty-one- and twenty-two-year-olds

from the Midwest. It would be difficult to pick two more different graduating classes to address in the same year. In fact, some of you may have children who have graduated from college or will soon do so. But despite the differences in your ages and circumstances, my message to you today has some similarities to what I said to them—namely, that the world is never far from transformational events. In your world, this means that no matter how many threats appear on the horizon or how intractable our national security problems appear, we should not rule out transformations that change the fundamental circumstances of the world order. We should be planning for these transformational events, and indeed, even attempting to make them happen. A nation such as ours that led alliances to victories in two world wars, helped rebuild Western Europe and Japan after World War II, won the Cold War, and expanded NATO to include twenty-six nations should not see any transformation as beyond the realm of possibility.

Political leaders and military planners continually attempt to foresee dangerous contingencies involving nations with whom we have current differences or whose fundamental interests may conflict with ours in some future scenario. This planning is a normal and necessary part of protecting our national security, and no institution has done it better than the Naval War College.

In a world as dangerous as ours, with terrorist groups and rogue states seeking weapons of mass destruction, it is natural to fix on the most imminent and dangerous of these problems. But we must always guard against defining foreign policy solely as a response to negative contingencies.

Much has been made of President Bush's rhetorical flourish in his January 2002 State of the Union Address that identified an "axis of evil" made up of Iran, Iraq, and North Korea. There is no doubt that these three countries each presented grave foreign policy dilemmas requiring concentrated attention. That continues to be the case.

But to the degree that the American military and foreign policy establishment responded by defining foreign policy as a campaign to address the threats posed by these three small to midsized nations, we subordinated strategic thinking to a set of standing crises. Crisis decision-making tends to compress options and often fails to allow for broader strategies that might require more time. Ironically, if we define U.S. foreign policy primarily in terms of crisis management, we usually make solving crises more difficult.

Often we need to pause to remember that the practice of foreign policy is not defined by a set of crisis decisions. Unfortunately, reporters, politicians, and even most historians portray foreign policy as a series of great diplomatic events. This perception is reinforced by books and movies about dramatic moments in diplomatic history, such as the Cuban missile crisis or the Berlin airlift. These

But crisis decision-making is a very small slice of a nation's foreign policy. A successful foreign policy depends much more on how well a nation prepares to avoid a crisis. When a nation gets to the point of having to make tactical choices in a time of peril, it almost always faces a choice between a bad option and a worse option. Crisis decision-making is to foreign policy what a surgeon is to personal health. Whether a body will resist disease depends on good nutrition, consistent exercise, and other healthy preparations much more than the skill of a surgeon employed as a last resort after the body has broken down. The preparation for good health and for a strong foreign policy is the part that we can best control, and it is the part that must receive most of our energies and resources.

No amount of skillful decision making can make up for a diminishment of the core strength of U.S. foreign policy. Maintaining this core strength is painstaking work. It can be measured in alliances, trading partners, diplomatic capabilities, exchange programs, international agreements, global respect, and numerous other factors. With this in mind, each of you should think how you can contribute to the retooling of U.S. foreign policy. And you should think about how we can undertake broad diplomatic offensives based on that core strength, which will achieve transformational outcomes. The United States must be ambitious at working with other nations to shape the world, because this is what will prevent crises in the future.

India Nuclear Agreement

Let me discuss with you a current debate before the Congress and our country. I believe it is critical that the U.S. Congress come to conclusions about President Bush's proposed civilian nuclear agreement with India. The India agreement represents the most important strategic diplomatic initiative undertaken by President Bush, and it represents a fundamental departure from the crisis-management mentality that has dominated foreign policy in both the executive and legislative branches in recent years. By concluding this pact and the far-reaching set of cooperative agreements that accompany it, President Bush has embraced a long-term outlook that seeks to enhance the core strength of our foreign policy in a way that will give us new diplomatic options and improve global stability. With this agreement, the president and Secretary of State Condoleezza Rice are asking Congress to see the opportunities that lie beyond the horizon of the current presidential term.

As such, a congressional rejection of the agreement—or an open-ended delay—risks wasting a critical opportunity to begin to expand beyond our Cold War alliance structures to include dynamic nations with whom our interests are converging.

Many members of Congress, including myself, have been studying the implications of the nuclear pact on nonproliferation policy. India has not signed the Nuclear Nonproliferation Treaty, and it has developed and tested nuclear weapons. The U.S.-India agreement would allow India to receive nuclear fuel, technology, and reactors from the United States—benefits that were previously denied to it because of its status outside the treaty. We should be concerned about the precedent set by this action, and we must ensure that this agreement does not undercut our own responsibilities under the Nonproliferation Treaty.

But I believe that we can do that satisfactorily. Both houses of Congress are working through language that would guide our policy toward India. I believe that we can help solidify New Delhi's commitments to implement strong export controls, separate its civilian nuclear infrastructure from its weapons program, and place civilian facilities under International Atomic Energy Agency (IAEA) safeguards. This agreement also would be a powerful incentive for India to cooperate closely with the United States in stopping proliferation and to abstain from further nuclear weapons tests. These outcomes could represent important advancements for nonproliferation policy.

The administration's declaration that we would welcome India's advancement as a major economic and political player on the world stage represents a strategic decision to invest political capital in a country with a vibrant democracy, rapidly growing economy, and increasing clout. With a well-educated middle class that is larger than the entire U.S. population, India can be an anchor of stability in Asia and an engine of global economic growth.

It can also be a key partner in countering global extremist trends. Both of our countries understand the importance of opposing violent movements through the promotion of religious pluralism, tolerance, and democratic freedoms. As a country with well entrenched democratic traditions and the world's second-largest Muslim population, India can set an example of a multireligious and multicultural democracy in an otherwise volatile region.

India's growing energy demand—likely to double within twenty years—makes global energy security an integral part of our strategic dialogue and provides important opportunities for cooperation. I introduced S. 1950, the "U.S.-India Energy Security Cooperation Act," last November to take advantage of these opportunities to cooperate with India on reducing global oil dependence. The bill, which has been passed by the Senate Foreign Relations Committee, promotes and authorizes funding for joint research and development of alternative energy

sources and clean coal technologies. It is essential that we elevate our energy dialogue with India and work together to increase the availability of clean energy and help stabilize world energy markets.

We already are beginning to see strategic benefits from developing closer relations with India. For instance, India's votes at the IAEA on the Iran issue last September and this past February demonstrate that New Delhi is able and willing to adjust its traditional foreign policies and play a constructive role on international issues. While acknowledging that India prizes its strategic autonomy, it will have increasing incentives to use its influence to help sway debates and events in other areas that serve stability and global economic progress.

Building on Our Relationship with China

Whenever discussions of the strategic vision behind the India nuclear agreement occur, inevitably the subject of China arises. Some analysts contend that India's ability to act as a counterweight to China is the primary strategic benefit of the deal. Though I understand the impulse behind this thinking, it oversimplifies global relationships in the twenty-first century, and it underestimates the broader value of engaging India as a partner in a changing world. Both India and the United States have reason to be vigilant about the growth of Chinese military power, but it is far from clear how a U.S.-Indian partnership of the type envisioned by the agreement would contain China or why India would participate with the United States in such a containment regime.

We should not see India as a card to play in balance-of-power games. Alliances based on shared dangers can have a long shelf life if the threat is intense enough, but they are rarely transformational. We need more from India than security cooperation. We need a partner that sits at the intersection of several strategic regions and that can be a bulwark for stability, democracy, and pluralism.

Seeing India as merely a counterbalance to China also makes the mistake of presuming that China is destined to be an enemy. Even as the United States must speak forthrightly about our current differences with China over numerous issues, we should not assume that we cannot build a foundation of mutual interests with China that will support a positive relationship with that nation over time. In fact, we have been doing this for several decades, with varying degrees of success. China is our third-largest trading partner and our fourth-largest export market. U.S.-China trade has increased from just five billion dollars in 1980 to \$285 billion in 2005. China has become an enormous stakeholder in the international economy.

The scope of our relationship with China is circumscribed by that nation's lack of democracy and its troubling human rights record. But few problems in Asia are going to be addressed without the cooperation of China. Beyond trade

and investment, we have mutual interests in regional stability, combating diseases that know no borders, and developing new energy sources that relieve our dependence on fossil fuels.

The New Energy Realism

It is no coincidence that the future of our relations with India and China intersect heavily with energy. Although a consumer cartel is probably not a viable response, fossil-fuel-dependent nations can forge agreements that further energy technology and conservation.

The transformational goals about which I have spoken argue against expecting any nation to be an enemy perpetually into the future. But though we may not have inevitable enemies, we do have inevitable vulnerabilities. Chief among these is our dependence on oil. This institution understands better than almost any other what it means to plan for securing the oil lifeline from the Middle East. But military responses to our energy vulnerability will have decreasing relevance in a world where the price of oil is determined by leaders of national governments and spare oil production capacity exceeds daily world oil consumption by a safety margin of less than 2 percent.

The United States consumes 25 percent of the world's oil, even though we account for less than 5 percent of its population. If oil prices averaged just sixty dollars a barrel through 2006, we would spend about \$320 billion on oil imports this year. Most of the world's oil is concentrated in places that are either hostile to American interests or vulnerable to political upheaval and terrorism. And demand for oil will increase far more rapidly than we expected just a few years ago. Within twenty-five years, the world will need 50 percent more energy than it does now.

The potential scarcity of energy supplies and the imbalances that exist among nations create grave threats to global security and prosperity. Up to this point in history, the main concerns surrounding oil and natural gas have been how much we pay for them and whether we will experience supply disruptions. But in decades to come, the issue may be whether the world's supply of fossil fuels is abundant and accessible enough to support continued economic growth, both in the industrialized West and in large rapidly growing economies such as China, India, and Brazil. When we reach the point that the world's oil-hungry economies are competing for insufficient supplies of energy, fossil fuels will become an even stronger magnet for conflict than they already are.

In the short run, dependence on fossil fuels has created a drag on the economic fortunes of households around the world, as higher oil prices have driven up heating and transportation costs. In the long run, this dependence is pushing the world toward an economic disaster that could mean diminished living standards, increased risks of war, and accelerated environmental degradation.

Increasingly, energy supplies are the currency through which energy-rich countries leverage their interests against energy-poor nations. Oil and natural gas infrastructure and shipping lanes remain targets for terrorism. The bottom line is that critical international security goals, including countering nuclear weapons proliferation, supporting new democracies, and promoting sustainable development, are at risk because of overdependence on fossil fuels.

These factors require what I have called "the new realism" of energy policy. Pro-oil advocates have long claimed to be the realists in the energy debate. They argued that alternatives to fossil fuels were not abundant enough or applicable enough to our energy infrastructure to relieve us in a meaningful way from our dependence on oil. The pro-oil commentators maintained that the primacy of fossil fuels was a choice of the marketplace, and they asserted that our government could and should do little to change this. Advocates of energy alternatives were considered to be unrealistic dreamers who did not understand how the world worked.

But the rapidly rising price of oil, its increasing concentration in the hands of state-owned entities, and the threat that energy will be used as a weapon by petro-superpowers have changed the balance of realism. We have entered a different energy era that requires a much different response than in past decades. What is needed is an urgent national effort to ensure that American ingenuity and resources are fully committed to this problem.

I believe that we can develop alternative sources of energy and the means to distribute them. But this will require national commitment, leadership at the highest levels of our government, and an aggressive diplomatic campaign to improve cooperation with like-minded nations. It also will require representatives of every military service and government agency to understand the problem and cooperate in its solution.

The Task before Us

The Naval War College and its graduates have been in the vanguard of strategic thinking in this country, and we ask you to continue that tradition. Less than a year after the birth of the Naval War College, in March 1885, President Grover Cleveland exemplified the nation's attitude toward foreign affairs in his first inaugural address. He devoted just a single paragraph to our relations with other countries. He defined the American foreign policy perspective as "the policy of neutrality, rejecting any share in foreign broils and ambitions on other continents and repelling their intrusions here." Some may long for the simplicity of that time, but most of us believe that our national security is intertwined with what happens in the furthest corner of the globe. We affirm that the United States must not only participate in world events—it must provide leadership.

I am confident that you will not be discouraged or defeated by the difficult work before you. You will affirm the commitment to excellence that you have shown here by expanding your abilities to serve our nation and the cause of world peace.

We bear a huge responsibility in leading our nation to a more secure and prosperous future and in strengthening the international community to solve global problems. With patient investments in the building blocks of national security and attention to long-term strategic opportunities, the United States will thrive in this new century as we did in the last.

I am heartened by your unfailing devotion to this important work. We are proud of the accomplishments that you have achieved here, and we look forward to all that you will do in the coming years.

SENATOR DICK LUGAR

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